

DEPARTMENTAL OFFICES
Salaries and Expenses

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATIONS (H.R. 2673) | 176,109 | 944 |
| FY 2004 RESCISSION (H.R. 2673) | -1,039 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 175,070 | 944 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 5,939 | 12 |
| • Reductions, Non-Recurring Costs, and Savings. | -3,360 | -19 |
| • Adjustments for Maintaining Current Levels. | 6,782 | --- |
| • Program Annualizations. | 610 | 5 |
| TOTAL FY 2005 CHANGES. | 9,971 | -2 |
| FY 2005 PRESIDENT'S BUDGET | 185,041 | 942 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | | |
|---|--------|-----|
| Program Changes: Funds are requested for: 1) Turkey Financing Facility (\$1,000 and 7 FTE); 2) United States Secret Service (USSS) protection to the Secretary of the Treasury (\$2,400 and 0 FTE); 3) Office of Emergency Preparedness (\$1,900 and 5 FTE); and 4) Contributions to the Joint Financial Management Improvement Program and the Federal Accounting Standards Advisory Board (\$639 and 0 FTE). | 5,939 | 12 |
| Reductions, Non-Recurring Costs, and Savings: Savings resulting from re-engineering (-\$2,100 and -19 FTE) and non-recurring expenses (-\$1,260 and 0 FTE). | -3,360 | -19 |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$1,176 and 0 FTE); 2) the proposed January 2005 pay raise (\$2,960 and 0 FTE); and 3) non-labor related items (\$2,646 and 0 FTE). | 6,782 | --- |
| Program Annualizations: Funds are requested for completing the full-year cost and FTE realization of positions from prior year. | 610 | 5 |

DEPARTMENTAL OFFICES
Treasury Building and Annex Repair and Restoration

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATIONS (H.R. 2673) | 25,000 | 10 |
| FY 2004 RESCISSION (H.R. 2673) | -147 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 24,853 | 10 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Reductions, Non-Recurring Costs, and Savings. | -4,537 | -10 |
| TOTAL FY 2005 CHANGES. | -4,537 | -10 |
| FY 2005 PRESIDENT'S BUDGET | 20,316 | --- |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| Reductions, Non-Recurring Costs, and Savings: Non-recurring costs associated with completing the repair and renovations of the Treasury Building and Annex. | -4,537 | -10 |

DEPARTMENTAL OFFICES
Air Transportation Stabilization Program

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATIONS (H.R. 2673) | 2,538 | 6 |
| FY 2004 RESCISSION (H.R. 2673) | -15 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 2,523 | 6 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 277 | --- |
| TOTAL FY 2005 CHANGES. | 277 | --- |
| FY 2005 PRESIDENT'S BUDGET | 2,800 | 6 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| Program Changes: Funds are requested for loan monitoring (\$277 and 0 FTE). | 277 | --- |

DEPARTMENTAL OFFICES
Expanded Access to Financial Services

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATIONS (H.R. 2673) | --- | 2 |
| FY 2004 RESCISSION (H.R. 2673) | --- | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | --- | 2 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | --- | -2 |
| TOTAL FY 2005 CHANGES. | --- | -2 |
| FY 2005 PRESIDENT'S BUDGET | --- | 0 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

Program Changes: No funding or FTE are requested for the Expanded Access to Financial Services program.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAM

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 36,400 | --- |
| FY 2004 RESCISSION (H.R. 2673) | -215 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 36,185 | --- |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 10,846 | --- |
| • Reductions, Non-Recurring Costs, and Savings. | -10,959 | --- |
| TOTAL FY 2005 CHANGES. | -113 | --- |
| FY 2005 PRESIDENT'S BUDGET | \$36,072 | --- |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

Program Changes: Funds are requested for the new projects listed in the table below.

10,846 ---

Reductions, Non-Recurring Costs, and Savings: Resources will be made available from realigning resources from various programs (-\$3,140 and 0 FTE); and non-recurring development costs for HR Connect (-\$7,819 and 0 FTE).

-10,959 ---

| <u>FY 2005 DSCIP Request by Project</u> | <u>FY 2004</u> | <u>FY 2005</u> |
|--|----------------|----------------|
| HR Connect | 25,310 | 17,491 |
| Integrated Wireless Network | -- | 1,500 |
| Critical Infrastructure Protection | 8,490 | 5,800 |
| Asset Management Information System | -- | 175 |
| Treasury Back-up Disaster Recovery Capacity | 1,736 | 1,746 |
| Enterprise Architecture | 199 | 1,000 |
| Subtotal | \$36,198 | \$27,712 |
| <u>New Initiatives:</u> | | |
| Information Assurance (Security) | | 1,000 |
| IT Governance | | 275 |
| Operational Security | | 1,000 |
| Identification Management and E-Authentication | | 561 |
| E-government Initiatives | | 5,524 |
| Total | \$36,198 | \$36,072 |

OFFICE OF THE INSPECTOR GENERAL

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 13,000 | 104 |
| FY 2004 RESCISSION (H.R. 2673) | -77 | 0 |
| FY 2004 PROPOSED AUTHORIZED LEVEL ¹ | 12,923 | 104 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 827 | 13 |
| • Adjustments for Maintaining Current Levels. | 408 | --- |
| TOTAL FY 2005 CHANGES. | 1,235 | 13 |
| FY 2005 PRESIDENT'S BUDGET | 14,158 | 117 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

Program Changes: Funds are requested for audit activities (\$546 and 10 FTE) and investigation activities (\$281 and 3 FTE).

Adjustments for Maintaining Current Levels: Funds are requested for 1) FY 2005 cost of January 2004 pay increase (\$102 and 0 FTE); 2) the proposed January 2005 pay raise (\$251 and 0 FTE); and 3) non-labor related items such as travel, supplies, equipment and GSA rent adjustments (\$55 and 0 FTE).

827 13

408 ---

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 128,034 | 931 |
| FY 2004 RESCISSION (H.R. 2673) | -755 | -7 |
| • FY 2004 Technical Adjustment | --- | -39 |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 127,279 | 885 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | -2,163 | -23 |
| • Adjustments for Maintaining Current Levels. | 4,010 | |
| TOTAL FY 2005 CHANGES. | 1,847 | -23 |
| FY 2005 PRESIDENT'S BUDGET | 129,126 | 862 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Program Changes: The net program reduction reflects: 1) a program increase for Wireless Management Communications (\$193 and 0 FTE), and 2) base reductions for Audit and Investigations programs (-\$2,356 and -23 FTE). | -2,163 | -23 |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$1,138 and 0 FTE); 2) the proposed January 2005 pay raise (\$2,277 and 0 FTE); and, 3) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$595 and 0 FTE). | 4,010 | --- |

FINANCIAL CRIMES ENFORCEMENT NETWORK

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 57,571 | 277 |
| FY 2004 RESCISSION (H.R. 2673) | -340 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 57,231 | 277 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 1,533 | 4 |
| • Transfer In. | 2,500 | --- |
| • Adjustments for Maintaining Current Levels. | 1,716 | --- |
| • Program Annualizations. | 1,522 | 10 |
| TOTAL FY 2005 CHANGES. | 7,271 | 14 |
| FY 2005 PRESIDENT'S BUDGET | 64,502 | 291 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| Program Changes: Funds are requested for: 1) enhancing regulatory support to newly covered industries (\$278 and 2 FTE); 2) enhancing access to Bank Secrecy Act information (\$1,055 and 2 FTE); and 3) procuring financial and administrative services (\$200 and 0 FTE). | 1,533 | 4 |
| Transfer In: Transfer from the Internal Revenue Service for maintenance and deployment of the Bank Secrecy Act Direct Systems (\$2,500 and 0 FTE). | 2,500 | --- |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$312 and 0 FTE); 2) the proposed January 2005 pay raise (\$538 and 0 FTE); and 3) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$866 and 0 FTE). | 1,716 | --- |
| Program Annualizations: Funds are requested for completing the full-year cost and FTE realization of positions from the prior year USA Patriot Act workload mandates initiative (\$1,522 and 10 FTE). | 1,522 | 10 |

FINANCIAL MANAGEMENT SERVICE

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 228,558 | 1,818 |
| FY 2004 RESCISSION (H.R. 2673) | -1,348 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 227,210 | --- |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Reductions, Non-Recurring Costs, and Savings. | -6,663 | --- |
| • Reinvestment of Freed-Up Resources. | 3,925 | --- |
| • Adjustments for Maintaining Current Levels. | 6,458 | --- |
| TOTAL FY 2005 CHANGES. | 3,720 | --- |
| FY 2005 PRESIDENT'S BUDGET | 230,930 | 1,818 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Reductions, Non-Recurring Costs, and Savings: Reflects one-time funding adjustments to the FY 2004 base for: 1) Efforts pursuant to respective obligations of the Department of the Treasury's overall responsibilities in the <i>Cobell et al v. Norton et al</i> and the Tribal Trust Fund cases (-\$1,500, and 0 FTE, and 2) business strategy adjustments to reduce low value activities (-\$5,163 and 0 FTE). | -6,663 | --- |
| Reinvestment of Freed-Up Resources: Savings through productivity gains, etc., will be applied to the modernization and redesign of FMS' payment systems and accounting architecture. | 3,925 | --- |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$1,666 and 0 FTE); 2) the proposed January 2005 pay raise (\$2,902 and 0 FTE); and 3) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$1,890 and 0 FTE). | 6,458 | --- |

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 80,000 | 544 |
| FY 2004 RESCISSION (H.R. 2673) | -472 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 79,528 | 544 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Adjustments for Maintaining Current Levels. | 2,414 | --- |
| TOTAL FY 2005 CHANGES. | 2,414 | --- |
| FY 2005 PRESIDENT'S BUDGET | 81,942 | 544 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$520 and 0 FTE); 2) the proposed January 2005 pay raise and other labor related benefits (\$991 and 0 FTE); and 3) non-labor related items such as contracts, travel, supplies, equipment, GSA rent adjustments (\$903 and 0 FTE).

2,414 ---

BUREAU OF THE PUBLIC DEBT
Administering the Public Debt

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 178,052 | 1,333 |
| FY 2004 OFFSETTING USER-FEES | -4,400 | --- |
| FY 2004 RESCISSION (H.R. 2673) | -1,025 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 172,627 | 1,333 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | -2,967 | -32 |
| • Adjustments for Maintaining Current Levels. | 5,506 | --- |
| TOTAL FY 2005 CHANGES. | 2,539 | -32 |
| FY 2005 PRESIDENT'S BUDGET | 175,166 | 1,301 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | | |
|--|--------|-----|
| Program Changes: Reflects one-time funding adjustments to the FY 2004 base for: 1) Withdrawal of the Series HH offering (31 CFR Part 352) in mid-2004 (\$2,000 and 0 FTE), and 2) business strategy adjustments to reduce low value activities (\$967 and 0 FTE). | -2,967 | -32 |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$1,866 and 0 FTE); 2) the proposed January 2005 pay raise (\$2,096 and 0 FTE); 3) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$1,544 and 0 FTE). | 5,506 | --- |

INTERNAL REVENUE SERVICE

Summary

| | Amount (\$000s) | Direct FTE |
|---|--------------------|----------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 10,244,962 | 99,292 |
| FY 2004 RESCISSION (H.R. 2673) | -60,445 | -237 |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 10,184,517 | 99,055 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 116,801 | 1,762 |
| • Reductions, Non-Recurring Costs, and Savings. | -110,841 | -1,442 |
| • Reinvestment of Freed-Up Resources. | 110,841 | 712 |
| • Transfer Out. | -2,500 | --- |
| • Adjustments for Maintaining Current Levels. | 266,383 | --- |
| • Program Annualizations. | 109,161 | 1,185 |
| TOTAL FY 2005 CHANGES | 489,845 | 2,217 |
| FY 2005 PRESIDENT'S BUDGET | 10,674,362 | 101,272 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Program Changes: Funds are requested for: 1) Processing, Assistance and Management (\$34,668 and -65 FTE); 2) Tax Law Enforcement (\$169,010 and 1,827 FTE); 3) Information Systems (\$15,822 and 0 FTE); and 4) Business Systems Modernization (-\$102,699 and 0 FTE). | 116,801 | 1,762 |
| Reductions, Non-Recurring Costs, and Savings (Re-Engineering): The IRS will reapply internal productivity growth and other savings from: 1) Processing, Assistance and Management (-\$50,154 and -720 FTE); 2) Tax Law Enforcement (-\$27,603 and -312 FTE); and 3) Information Systems (-\$33,084 and -410 FTE). | -110,841 | -1,442 |
| Reinvestment of Freed-Up Resources: Savings through productivity gains, etc., will be reapplied to: 1) Processing, Assistance and Management (\$25,544 and 26 FTE); 2) Tax Law Enforcement (\$49,909 and 450 FTE); and 3) Information Systems (\$35,388 and 236 FTE). | 110,841 | 712 |
| Transfer Out: Transfer from IRS Detroit Computing Center (Information Systems appropriation) to the Financial Crimes Enforcement Network (FinCEN) for maintenance of the Bank Secrecy Act Direct Systems (-\$2,500 and 0 FTE). | -2,500 | --- |

INTERNAL REVENUE SERVICE
Summary

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$77,927 and 0 FTE); 2) the proposed January 2005 pay raise (\$133,405 and 0 FTE); and 3) non-labor related items (\$55,051 and 0 FTE). | 266,383 | --- |
| Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$109,161 and 1,185 FTE). | 109,161 | 1,185 |

INTERNAL REVENUE SERVICE
Processing, Assistance and Management

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 4,033,000 | 42,350 |
| FY 2004 RESCISSION (H.R. 2673) | -23,795 | -18 |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 4,009,205 | 42,332 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 34,668 | -65 |
| • Reductions, Non-Recurring Costs, and Savings. | -50,154 | -720 |
| • Reinvestment of Freed-Up Resources. | 25,544 | 26 |
| • Adjustments for Maintaining Current Levels. | 106,105 | --- |
| • Program Annualizations. | 23,035 | 208 |
| TOTAL FY 2005 CHANGES..... | 139,198 | -551 |
| FY 2005 PRESIDENT'S BUDGET | 4,148,403 | 41,781 |

^{1/} Based on enactment of H.R. 2673

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Highlights of FY 2005 Budget Changes | | |
| Program Changes: Funds are requested for: 1) restoring the IRS enforcement presence (\$40,688 and 45 FTE); 2) consolidation of the Kansas City campus (\$12,000 and 3 FTE); and 3) reducing overhead through implementation of an optimization study (-\$18,000 and -113 FTE). | 34,668 | -65 |
| Reductions, Non-Recurring Costs, and Savings (Re-Engineering): The IRS proposes to make resources available for reapplication through internal productivity growth and other savings in the PAM appropriation (-\$50,154 and -720 FTE). | -50,154 | -720 |
| Reinvestment of Freed-Up Resources: Savings generated through productivity gains, etc., will be reappplied: 1) to restore the IRS enforcement presence (\$9,077 and 0 FTE) and 2) to improve infrastructure and support (\$16,467 and 26 FTE). | 25,544 | 26 |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$28,029 and 0 FTE); 2) the proposed January 2005 pay raise (\$47,983 and 0 FTE); and 3) non-labor related items (\$30,093 and 0 FTE). | 106,105 | --- |

INTERNAL REVENUE SERVICE
Processing, Assistance and Management

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$23,035 and 208 FTE). | 23,035 | 208 |

INTERNAL REVENUE SERVICE
Tax Law Enforcement

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 4,196,000 | 49,266 |
| FY 2004 RESCISSION (H.R. 2673) | -24,756 | -119 |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 4,171,244 | 49,147 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 169,010 | 1,827 |
| • Reductions, Non-Recurring Costs, and Savings. | -27,603 | -312 |
| • Reinvestment of Freed-Up Resources. | 49,909 | 450 |
| • Adjustments for Maintaining Current Levels. | 121,086 | --- |
| • Program Annualizations. | 80,704 | 977 |
| TOTAL FY 2005 CHANGES..... | 393,106 | 2,942 |
| FY 2005 PRESIDENT'S BUDGET | 4,564,350 | 52,089 |

^{1/} Based on enactment of H.R. 2673

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Highlights of FY 2005 Budget Changes | | |
| Program Changes: Funds are requested for: 1) restoring the IRS enforcement presence (\$198,010 and 1,918 FTE) and 2) re-scoping the EITC program (-\$29,000 and -91 FTE). | 169,010 | 1,827 |
| Reductions, Non-Recurring Costs, and Savings (Re-Engineering): The IRS proposes to make resources available for reapplication through internal productivity growth and other savings in the TLE appropriation (-\$27,603 and -312 FTE). | -27,603 | -312 |
| Reinvestment of Freed-Up Resources: Savings generated through productivity gains, etc., will be reapplied: 1) to restore the IRS enforcement presence (\$48,142 and 450 FTE) and 2) to improve infrastructure and support (\$1,767 and 0 FTE). | 49,909 | 450 |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$42,188 and 0 FTE); 2) the proposed January 2005 pay raise (\$72,235 and 0 FTE); and 3) non-labor related items (\$6,663 and 0 FTE). | 121,086 | --- |
| Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$80,704 and 977 FTE). | 80,704 | 977 |

INTERNAL REVENUE SERVICE
Information Systems

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 1,590,962 | 7,659 |
| FY 2004 RESCISSION (H.R. 2673) | -9,387 | -100 |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 1,581,575 | 7,559 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | 15,822 | --- |
| • Reductions, Non-Recurring Costs, and Savings. | -33,084 | -410 |
| • Reinvestment of Freed-Up Resources. | 35,388 | 236 |
| • Transfer Out. | -2,500 | --- |
| • Adjustments for Maintaining Current Levels. | 39,145 | --- |
| • Program Annualizations. | 5,422 | --- |
| TOTAL FY 2005 CHANGES. | 60,193 | -174 |
| FY 2005 PRESIDENT'S BUDGET | 1,641,768 | 7,385 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| Program Changes: Funds are requested to help restore the IRS enforcement presence (\$15,822 and 0 FTE). | 15,822 | --- |
| Reductions, Non-Recurring Costs, and Savings (Re-Engineering): The IRS proposes to make resources available for reapplication through internal productivity growth and other savings in the IS appropriation (-\$33,084 and -410 FTE). | -33,084 | -410 |
| Reinvestment of Freed-Up Resources: Savings generated through productivity gains, etc., will be reapplied 1) to restore the IRS enforcement presence (\$3,490 and 0 FTE) and 2) to improve infrastructure and support (\$31,898 and 236 FTE). | 35,388 | 236 |
| Transfer Out: Transfer from IRS Detroit Computing Center to the Financial Crimes Enforcement Network (FinCEN) for maintenance of the Bank Secrecy Act Direct Systems (-\$2,500 and 0 FTE). | -2,500 | --- |

INTERNAL REVENUE SERVICE
Information Systems

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$7,688 and 0 FTE); 2) the proposed January 2005 pay raise (\$13,162 and 0 FTE); and 3) non-labor related items (\$18,295 and 0 FTE). | 39,145 | --- |
| Program Annualizations: Funds for completing the full-year cost and FTE realization of positions from prior year (\$5,422 and 0 FTE). | 5,422 | --- |

INTERNAL REVENUE SERVICE
Business Systems Modernization

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 390,000 | --- |
| FY 2004 RESCISSION (H.R. 2673) | -2,301 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 387,699 | --- |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes. | -102,699 | --- |
| TOTAL FY 2005 CHANGES. | -102,699 | --- |
| FY 2005 PRESIDENT'S BUDGET | 285,000 | --- |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

Program Changes: Funds were reduced to reflect a refocused business process reengineering effort to achieve BSM's goal of improving speed, timeliness and accuracy of IRS' interactions with taxpayers (-\$102,699 and 0 FTE).

| Amount (\$000s) | Direct FTE |
|--------------------|---------------|
|--------------------|---------------|

| | |
|----------|-----|
| -102,699 | --- |
|----------|-----|

INTERNAL REVENUE SERVICE
Health Insurance Tax Credit Administration

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 35,000 | 17 |
| FY 2004 RESCISSION (H.R. 2673) | -206 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 34,794 | 17 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Adjustments for Maintaining Current Levels. | 47 | --- |
| TOTAL FY 2005 CHANGES. | 47 | --- |
| FY 2005 PRESIDENT'S BUDGET | 34,841 | 17 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | Amount (\$000s) | Direct FTE |
|--|--------------------|---------------|
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$22 and 0 FTE) and 2) the proposed January 2005 pay raise (\$25 and 0 FTE). | 47 | --- |

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

| | Amount (\$000s) | Direct FTE |
|---|--------------------|---------------|
| FY 2004 CONSOLIDATED APPROPRIATION (H.R. 2673) | 61,000 | 71 |
| FY 2004 RESCISSION (H.R. 2673) | -360 | --- |
| FY 2004 PROPOSED AUTHORIZED LEVEL¹ | 60,640 | 71 |
| CHANGES PROPOSED FOR FY 2005 | | |
| • Program Changes | -10,758 | |
| • Reductions, Non-Recurring Costs, and Savings. | -3,974 | --- |
| • Reinvestment of Freed-Up Resources. | 2,192 | --- |
| • Adjustments for Maintaining Current Levels. | 303 | --- |
| TOTAL FY 2005 CHANGES..... | -12,237 | --- |
| FY 2005 PRESIDENT'S BUDGET | 48,403 | 71 |

1/ Based on enactment of H.R. 2673

Highlights of FY 2005 Budget Changes

| | | |
|---|---------|-----|
| Program Changes: The net program reduction reflects: 1) a program increase for the New Markets Tax Credit (\$299 and 0 FTE), and 2) base reductions to the CDFI Program (-\$5,148 and 0 FTE) and the Bank Enterprise Award Program (-5,909 and 0 FTE). | -10,758 | |
| Reductions, Non-Recurring Costs, and Savings: Reduced funding for the Bank Enterprise Award Program reflects Program Assessment Rating Tool (PART) recommendations. A portion of the reduction will be utilized to fund an increase in program management costs for the New Markets Tax Credit Program. | -3,974 | --- |
| Reinvestment of Freed-Up Resources: Funds are redirected from the Bank Enterprise Award Program to support increased costs to administer the New Markets Tax Credit Program. This reallocation supports an independent evaluation of the seven-year, \$15 billion program. | 2,192 | --- |
| Adjustments for Maintaining Current Levels: Funds are requested for: 1) FY 2005 cost of January 2004 pay increase (\$74 and 0 FTE); 2) the proposed January 2005 pay raise (\$108 and 0 FTE); and 3) non-labor related items such as contracts, travel, supplies, equipment, and GSA rent adjustments (\$121 and 0 FTE). | 303 | --- |